

Utilities

MISSION STATEMENT

The goals of the County Government relating to utility consumption are to:

Achieve energy savings by the elimination of wasteful or inefficient operation of building systems;

Continue improvements in energy efficiency in all County operations; and

Obtain required energy fuels at the most favorable cost to the County.

BUDGET OVERVIEW

The FY02 Approved Budget budget for both tax and non-tax supported County government utilities expenditures is \$14,223,790, a decrease of \$358,480 or 2.5 percent from the FY01 Approved Budget. Allocation of these FY02 utilities expenditures is as follows: electricity, 85.1 percent; natural gas, 7.0 percent; water and sewer, 7.7 percent; and fuel oil 0.2 percent.

The FY02 Approved Budget includes County government utilities expenditures for both tax and non-tax supported operations. Tax supported utilities expenditures related to the General Fund departments are budgeted in the Utilities non-departmental account (NDA), while utilities expenditures related to special funds are budgeted in those funds. Some of these special funds, such as Recreation and portions of the Department of Public Works and Transportation, are tax supported. Other special funds, such as Solid Waste, are not supported by taxes, but through user fees or charges for services.

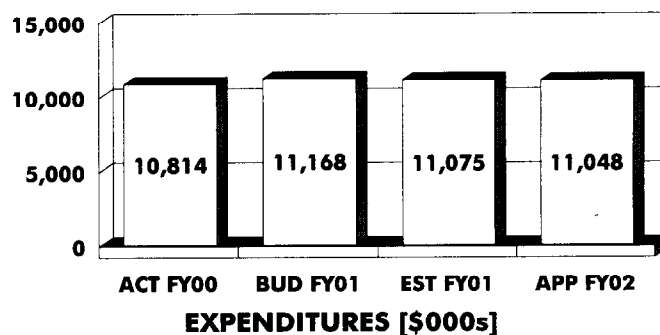
Utilities expenditures are also found in the budgets of other County agencies: Montgomery County Public Schools (MCPS), Montgomery College, the Washington Suburban Sanitary Commission (WSSC), and the Maryland-National Capital Park and Planning Commission (M-NCPPC). The total amount for these agencies is \$35,478,490, which includes the entire bi-county area of WSSC.

The FY02 Approved tax supported budget for Utilities Management, including both the General Fund non-departmental account (\$11,048,060) and the other tax supported funds (\$1,166,930), is \$12,214,990, a decrease of \$288,070 or 2.3 percent from the FY01 Approved Budget. The FY02 Approved Budget for non-tax supported utilities expenditures is \$2,008,800, a decrease of \$70,410 or 3.4 percent from the FY01 Approved Budget. In both the tax and non-tax supported funds, decreased utilities expenditures result primarily from lower electricity rates due to deregulation and group purchase savings; higher Natural Gas prices due to market fluctuations; energy conservation and cost-saving

Program Summary

	Expenditures	WYs
Utilities (for All General Fund Departments)	11,048,060	0.0
Totals	11,048,060	0.0

Trends



measures; increased consumption due to new facilities or services; and in some cases, a more precise alignment of budgeted costs with actual expenditures by utility type.

Operating Expenses account for 100.0 percent of the FY02 Approved Budget. This total includes \$150,000, budgeted in the DPWT Division of Facilities and Services, for a consultant to continue advising the County on strategies to address Maryland's evolving utility deregulation situation and to prepare for the next supply contract cycle. The first joint procurement of electric power between Montgomery County, the five County and bi-County agencies, and ten municipalities is estimated to save approximately \$2.2 million during the 18-month contract period. Partially offsetting this, utilities consumption in the DPWT Division of Facilities and Services will increase due to the addition of new, or annualized use of existing buildings. Finally, County growth and development result in additional streetlights, traffic signals, and flashing school sign costs in the DPWT Division of Traffic and Parking Services.

The FY02 Approved Budget includes no change to the County's Energy Tax rate structure this fiscal year. In contrast, the County's Interagency Committee on Energy and Utility Management (ICEUM) projects cost increases for Natural Gas and Motor Fuels. Motor Fuels, consisting of Unleaded Gasoline, Diesel, and Compressed Natural Gas, are purchased from various providers and are not budgeted in the General Fund non-departmental account. ICEUM also monitors changes in energy costs in the current year and will recommend appropriate changes, if necessary, prior to Council approval of the FY03 budget.

PROGRAM CONTACTS

Contact Bryan Hunt of the Office of Management and Budget at 240.777.2770 for more information regarding this department's operating budget.

PROGRAM DESCRIPTIONS

Utilities (for All General Fund Departments)

Program Summary	Expenditures	Workyears
FY01 Approved	11,168,230	0.0
FY02 Approved	11,048,060	0.0

The Utilities Non-Departmental account provides the General Fund operating expense appropriation for the Department of Public Works and Transportation, Division of Facilities and Services, and the Division of Traffic and Parking Services. The utilities expenditures for other non-tax supported operations and other agencies are appropriated within their respective department or agency.

FY02 Changes

The FY02 Approved Budget includes decreasing operating expenses (\$120,170) primarily from lower electricity rates due to deregulation and group purchase savings, partially offset by higher Natural Gas prices.

BUDGET SUMMARY

	Actual FY00	Budget FY01	Estimated FY01	Approved FY02	% Chg Bud/App
COUNTY GENERAL FUND					
EXPENDITURES					
Salaries and Wages	0	0	0	0	—
Employee Benefits	0	0	0	0	—
County General Fund Personnel Costs	0	0	0	0	—
Operating Expenses	10,813,598	11,168,230	11,075,340	11,048,060	-1.1%
Capital Outlay	0	0	0	0	—
County General Fund Expenditures	10,813,598	11,168,230	11,075,340	11,048,060	-1.1%
PERSONNEL					
Full-Time	0	0	0	0	—
Part-Time	0	0	0	0	—
Workyears	0.0	0.0	0.0	0.0	—